



# NEWS RELEASE



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BEA 06-05

## **GROSS DOMESTIC PRODUCT: FOURTH QUARTER 2005 (PRELIMINARY)**

Real gross domestic product -- the output of goods and services produced by labor and property located in the United States -- increased at an annual rate of 1.6 percent in the fourth quarter of 2005, according to preliminary estimates released by the Bureau of Economic Analysis. In the third quarter, real GDP increased 4.1 percent.

The GDP estimates released today are based on more complete source data than were available for the advance estimates issued last month. In the advance estimates, the increase in real GDP was 1.1 percent (see "Revisions" on page 3).

The increase in real GDP in the fourth quarter primarily reflected positive contributions from private inventory investment, personal consumption expenditures (PCE), exports, equipment and software, and residential fixed investment that were partly offset by a negative contribution from federal government spending. Imports, which are a subtraction in the calculation of GDP, increased.

The deceleration in real GDP growth in the fourth quarter primarily reflected a deceleration in PCE, an acceleration in imports, a downturn in federal government spending, and decelerations in equipment and software and in residential fixed investment that were partly offset by an upturn in inventory investment.

Final sales of computers contributed 0.34 percentage point to the fourth-quarter growth in real GDP after contributing 0.16 percentage point to the third-quarter growth. Motor vehicle output subtracted 0.63 percentage point from the fourth-quarter growth in real GDP after contributing 0.56 percentage point to the third-quarter growth.

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NOTE.--Quarterly estimates are expressed at seasonally adjusted annual rates, unless otherwise specified. Quarter-to-quarter dollar changes are differences between these published estimates. Percent changes are calculated from unrounded data and annualized. "Real" estimates are in chained (2000) dollars. Prices indexes are chain-type measures.

This new release is available on BEA's Web site at [www.bea.gov/bea/rels.htm](http://www.bea.gov/bea/rels.htm).

The price index for gross domestic purchases, which measures prices paid by U.S. residents, increased 3.6 in the fourth quarter, 0.3 percentage point more than the advance estimate; this index increased 4.2 percent in the third quarter. Excluding food and energy prices, the price index for gross domestic purchases increased 3.0 percent in the fourth quarter, compared with an increase of 2.5 percent in the third.

Real personal consumption expenditures increased 1.2 percent in the fourth quarter, compared with an increase of 4.1 percent in the third. Real nonresidential fixed investment increased 5.4 percent in the fourth quarter, compared with an increase of 8.5 percent in the third. Nonresidential structures increased 3.3 percent, compared with an increase of 2.2 percent. Equipment and software increased 6.2 percent, compared with an increase of 10.6 percent. Real residential fixed investment increased 2.6 percent, compared with an increase of 7.3 percent.

Real exports of goods and services increased 5.7 percent in the fourth quarter, compared with an increase of 2.5 percent in the third. Real imports of goods and services increased 12.8 percent, compared with an increase of 2.4 percent.

Real federal government consumption expenditures and gross investment decreased 2.6 percent in the fourth quarter, in contrast to an increase of 7.4 percent in the third. National defense decreased 9.0 percent, in contrast to an increase of 10.0 percent. Nondefense increased 11.9 percent, compared with an increase of 2.4 percent. Real state and local government consumption expenditures and gross investment increased 0.4 percent, compared with an increase of 0.2 percent.

The real change in private inventories added 1.62 percentage points to the fourth-quarter change in real GDP, after subtracting 0.43 percentage point from the third-quarter change. Private businesses increased inventories \$30.4 billion in the fourth quarter, following decreases of \$13.3 billion in the third quarter and \$1.7 billion in the second.

Real final sales of domestic product -- GDP less change in private inventories -- was unchanged in the fourth quarter, in contrast to an increase of 4.6 percent in the third.

### **Gross domestic purchases**

Real gross domestic purchases -- purchases by U.S. residents of goods and services wherever produced -- increased 2.9 percent in the fourth quarter, compared with an increase of 4.0 percent in the third.

### **Current-dollar GDP**

Current-dollar GDP -- the market value of the nation's output of goods and services -- increased 5.0 percent, or \$154.7 billion, in the fourth quarter to a level of \$12,760.4 billion. In the third quarter, current-dollar GDP increased 7.6 percent, or \$227.7 billion.

## Revisions

The preliminary estimate of the fourth-quarter increase in real GDP is 0.5 percentage point, or \$14.1 billion, higher than the advance estimate issued last month. The upward revision to the percentage change in real GDP primarily reflected upward revisions to exports, to federal government spending, to equipment and software, and to change in private inventories that were partly offset by an upward revision to imports.

	<u>Advance</u>	<u>Preliminary</u>
	(Percent change from preceding quarter)	
Real GDP.....	1.1	1.6
Current-dollar GDP.....	4.2	5.0
Gross domestic purchases price index...	3.3	3.6

## 2005 GDP

Real GDP increased 3.5 percent in 2005 (that is, from the 2004 annual level to the 2005 annual level), the same as in the advance estimate. In 2004, real GDP increased 4.2 percent.

During 2005 (that is, measured from the fourth quarter of 2004 to the fourth quarter of 2005), real GDP increased 3.2 percent, 0.1 percentage point more than in the advance estimate. Real GDP increased 3.8 percent during 2004. The price index for gross domestic purchases increased 3.5 percent during 2005, 0.1 percentage point more than in the advance estimate. During 2004, this index increased 3.4 percent.

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Summary BEA estimates are available on recorded messages at the time of public release at the following telephone numbers:

(202) 606-5306 Gross domestic product  
(202) 606-5303 Personal income and outlays

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Next release – March 30, 2006, at 8:30 A.M. EST for:  
Gross Domestic Product: Fourth Quarter 2005 (Final)  
Corporate Profits: Fourth Quarter 2005

Table 1.—Real Gross Domestic Product and Related Measures: Percent Change From Preceding Period

	2003	2004	2005 <sup>r</sup>	Seasonally adjusted at annual rates															
				2002				2003				2004				2005			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
Gross domestic product (GDP) .....	2.7	4.2	3.5	2.7	2.2	2.4	0.2	1.7	3.7	7.2	3.6	4.3	3.5	4.0	3.3	3.8	3.3	4.1	1.6
Personal consumption expenditures .....	2.9	3.9	3.6	1.4	2.4	2.3	1.4	2.5	3.6	5.8	3.1	4.7	1.9	4.4	4.3	3.5	3.4	4.1	1.2
Durable goods .....	6.6	6.0	4.5	-4.2	3.6	11.5	-5.2	3.6	15.1	19.8	-3	4.4	.4	10.8	5.5	2.6	7.9	9.3	-16.6
Nondurable goods .....	3.2	4.7	4.4	3.3	1.3	.3	3.6	3.2	1.9	8.3	3.1	6.6	2.6	3.9	5.5	5.3	3.6	3.5	5.1
Services .....	2.0	3.0	2.9	1.8	2.6	1.3	1.8	1.9	2.3	3.8	3.8	3.4	3.6	2.8	2.3	3.3	3.0	3.3	3.0
Gross private domestic investment .....	3.9	11.9	6.0	13.6	1.9	5.8	-1.0	-4	2.7	17.5	12.0	10.1	20.9	4.6	6.8	8.6	-3.7	5.3	14.8
Fixed investment .....	3.6	9.7	8.1	-6.3	-1.4	-7	-1.4	.8	8.8	14.8	6.9	6.9	15.1	8.4	7.2	7.0	9.5	8.0	4.4
Nonresidential .....	1.3	9.4	8.7	-12.8	-6.1	-2.0	-5.0	-1.1	8.4	11.2	4.4	7.9	13.5	11.8	10.4	5.7	8.8	8.5	5.4
Structures .....	-4.2	2.2	2.0	-19.0	-19.0	-15.5	-5.3	-8.4	13.3	-1	1.3	-3.5	8.8	1.4	4.7	-2.0	2.7	2.2	3.3
Equipment and software .....	3.2	11.9	11.0	-10.4	-9	3.3	-4.9	1.6	6.7	15.4	5.5	12.0	15.2	15.5	12.4	8.3	10.9	10.6	6.2
Residential .....	8.4	10.3	7.1	10.4	9.5	2.0	6.4	4.7	9.6	21.9	11.5	5.2	17.8	2.6	1.6	9.5	10.8	7.3	2.6
Change in private inventories .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Net exports of goods and services .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Exports .....	1.8	8.4	7.0	5.2	10.6	2.9	-3.1	-2.9	-2.1	11.5	19.1	5.0	6.9	5.5	7.1	7.5	10.7	2.5	5.7
Goods .....	1.8	8.9	7.3	-1.6	14.2	2.2	-9.1	1.5	0	9.1	17.2	7.5	7.9	8.2	3.7	5.3	16.0	3.2	7.7
Services .....	1.7	7.4	6.2	22.9	2.7	4.6	11.7	-11.9	-6.6	17.2	23.7	-4	4.8	-.6	15.5	12.5	-4	1.0	1.2
Imports .....	4.6	10.7	6.4	11.7	12.5	5.7	9.0	-2.5	3.3	4.1	16.5	12.0	14.5	4.7	11.3	7.4	-3	2.4	12.8
Goods .....	4.9	11.0	6.9	9.2	16.0	6.5	8.1	-2.6	6.3	.9	17.7	12.4	14.7	4.7	13.0	8.2	-1.1	3.5	14.0
Services .....	3.0	9.6	3.7	24.7	-3.0	1.7	14.0	-2.2	-10.2	21.4	10.7	10.0	13.7	4.6	3.1	3.7	4.4	-3.2	6.3
Government consumption expenditures and gross investment .....	2.8	2.2	1.8	4.3	4.8	2.3	4.8	-3	7.2	.5	.5	3.3	2.3	1.8	.9	1.9	2.5	2.9	-7
Federal .....	6.9	5.2	2.3	5.9	12.5	3.0	10.2	-.3	22.1	-2.0	3.1	10.7	3.2	3.6	-.6	2.4	2.4	7.4	-2.6
National defense .....	8.8	7.0	2.6	3.7	11.5	4.1	14.8	-3.6	31.4	-6.5	7.9	13.8	.8	9.0	-3.3	3.0	3.1	10.0	-9.0
Nondefense .....	3.4	1.8	1.9	10.2	14.1	1.2	2.1	8.0	-2.4	7.2	-5.8	4.9	8.1	-6.4	5.2	1.1	-2	2.4	11.9
State and local .....	.6	.4	1.5	3.5	1.0	1.9	2.0	-.6	-3	2.0	-9	-.7	1.8	.8	1.8	1.6	2.6	.2	.4
Addenda:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Final sales of domestic product .....	2.7	3.9	3.9	-2	1.7	1.4	.1	1.9	4.6	6.9	2.8	3.8	2.6	4.6	3.3	3.5	5.6	4.6	0
Gross domestic purchases .....	3.0	4.7	3.6	3.6	2.7	2.8	1.7	1.5	4.2	6.5	3.9	5.2	4.7	3.9	4.1	4.0	2.1	4.0	2.9
Final sales to domestic purchasers .....	3.0	4.4	3.9	.7	2.2	1.8	1.6	1.7	5.0	6.1	3.2	4.8	3.8	4.5	4.1	3.7	4.2	4.5	1.3
Gross national product (GNP) .....	3.0	4.0	.....	.8	1.8	2.9	1.0	1.5	4.5	7.2	4.5	3.8	2.2	4.0	2.9	3.9	3.2	4.4	.....
Disposable personal income .....	2.4	3.4	1.5	11.6	1.9	-1.6	.2	2.5	4.5	7.2	1.0	3.6	1.2	2.8	9.1	-3.4	.2	-1.4	7.1
Current-dollar measures:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
GDP .....	4.8	7.0	6.4	4.3	3.7	3.9	2.4	4.8	4.8	9.3	5.5	8.1	7.5	5.3	6.1	7.0	6.0	7.6	5.0
Final sales of domestic product .....	4.8	6.6	6.8	1.4	3.2	3.0	2.4	5.1	5.7	8.8	4.8	7.5	6.6	6.1	6.2	6.7	8.3	8.1	3.4
Gross domestic purchases .....	5.3	7.7	6.9	4.9	5.2	4.4	3.9	5.7	4.6	8.6	5.6	9.7	9.0	5.9	7.4	7.0	5.5	8.4	6.5
Final sales to domestic purchasers .....	5.3	7.4	7.3	2.2	4.8	3.6	3.8	5.9	5.4	8.2	4.9	9.2	8.1	6.6	7.4	6.7	7.6	8.9	5.0
GNP .....	5.1	6.8	.....	2.3	3.3	4.4	3.2	4.6	5.7	9.2	6.4	7.7	6.1	5.4	5.7	7.0	5.9	7.8	.....
Disposable personal income .....	4.3	6.1	4.3	12.6	4.7	.2	1.9	5.6	5.2	9.4	2.3	7.6	5.1	4.3	12.5	-1.3	3.5	2.3	9.9

<sup>r</sup> Revised. Revisions include changes to series affected by the introduction of revised wage and salary estimates for the third quarter of 2005.

See "Explanatory Note" at the end of the tables.

Table 2.—Contributions to Percent Change in Real Gross Domestic Product

	2003	2004	2005 <sup>r</sup>	Seasonally adjusted at annual rates															
				2002				2003				2004				2005			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
Percent change at annual rate:																			
Gross domestic product .....	2.7	4.2	3.5	2.7	2.2	2.4	0.2	1.7	3.7	7.2	3.6	4.3	3.5	4.0	3.3	3.8	3.3	4.1	1.6
Percentage points at annual rates:																			
Personal consumption expenditures .....	2.05	2.71	2.49	1.01	1.64	1.57	.97	1.70	2.55	4.13	2.15	3.27	1.33	3.05	3.01	2.44	2.35	2.85	.81
Durable goods .....	.57	.51	.37	-.39	.31	.98	-.47	.31	1.23	1.64	-.03	.38	.03	.88	.45	.22	.64	.76	-.147
Motor vehicles and parts .....	.19	.06	-.03	-1.07	.02	.89	-.75	.22	.53	.77	-.43	-.02	-.19	.44	.11	-.31	.27	.45	-.193
Furniture and household equipment .....	.26	.34	.28	.50	.23	.06	.21	.03	.48	.63	.30	.31	.24	.34	.21	.32	.17	.37	.33
Other .....	.11	.10	.13	.18	.07	.02	.07	.06	.22	.23	.10	.08	-.02	.10	.14	.20	-.06	.13	
Nondurable goods .....	.63	.94	.90	.65	.26	.06	.70	.63	.37	1.65	.61	1.31	.53	.78	1.09	1.07	.74	.73	1.04
Food .....	.25	.48	.49	.21	.18	0	.20	.38	.05	.69	.20	.88	.27	.32	.63	.50	.42	.61	.51
Clothing and shoes .....	.14	.17	.17	.23	.04	-.05	.31	-.04	.27	.33	.04	.37	-.09	.17	.25	.15	.20	.08	.28
Gasoline, fuel oil, and other energy goods .....	.01	.03	.04	-.06	.06	.04	-.04	-.01	-.04	.12	.07	-.04	.03	.02	.07	.21	-.11	-.11	.04
Other .....	.22	.26	.21	.27	-.01	.07	.23	.29	.09	.51	.31	.11	.33	.28	.14	.20	.23	.15	.20
Services .....	.85	1.27	1.22	.75	1.07	.54	.74	.76	.94	.84	1.57	1.58	.77	1.39	1.47	1.15	.97	1.36	1.24
Housing .....	.07	.30	.24	.06	-.03	-.11	-.07	.08	.13	.24	.31	.39	.27	.29	.29	.23	.22	.20	.19
Household operation .....	.05	.07	.11	.07	.29	-.11	.19	.01	-.06	-.02	.25	.07	-.07	.04	.34	.07	-.02	.17	.07
Electricity and gas .....	.02	.03	.06	.11	.25	-.07	.23	-.05	-.13	-.07	.22	.02	-.11	-.05	.37	.02	-.08	.10	.09
Other household operation .....	.03	.05	.04	-.05	.04	-.04	-.04	.07	.07	.05	.03	.05	.05	.10	-.03	.05	.06	.08	-.02
Transportation .....	0	.03	.04	.01	-.04	-.07	-.01	.07	-.05	.02	.02	.13	-.01	0	-.01	.06	.06	.05	.10
Medical care .....	.49	.49	.57	.59	.67	.59	.59	.45	.42	.31	.59	.37	.56	.64	.54	.53	.50	.66	.61
Recreation .....	.10	.11	.06	.09	.07	.04	.16	.04	.15	.07	.21	.17	0	.10	.02	.14	.02	.02	.04
Other .....	.14	.26	.21	-.08	.12	.20	-.12	.10	.35	.22	.19	.44	.02	.33	.29	.11	.18	.26	.23
Gross private domestic investment .....	.58	1.82	.98	1.92	.30	.87	-.14	-.03	.42	2.53	1.78	1.52	3.10	.75	1.11	1.42	-.63	.87	2.35
Fixed investment .....	.54	1.47	1.30	-1.04	-.23	-.12	-.21	.13	1.26	2.15	1.03	1.04	2.22	1.31	1.13	1.12	1.51	1.31	.73
Nonresidential .....	.13	.92	.88	-1.50	-.66	-.21	-.52	-.10	.79	1.08	.43	.76	1.29	1.15	1.04	.58	.90	.88	.57
Structures .....	-.11	.06	.05	-.60	-.58	-.44	-.14	-.22	.32	0	.03	-.09	.22	.04	.12	-.05	.07	.06	.09
Equipment and software .....	.24	.86	.83	-.90	-.09	.23	-.38	.12	.47	1.09	.40	.85	1.07	1.12	.92	.64	.83	.82	.48
Information processing equipment and software .....	.19	.49	.49	-.28	.06	.23	-.38	.21	.20	.79	.52	.61	.38	.31	.34	.72	.53	.42	.39
Computers and peripheral equipment .....	.09	.19	.24	.15	-.06	.16	-.04	.07	.10	.21	.17	.20	.18	.16	.27	.31	.23	.11	.28
Software .....	.06	.11	.17	-.04	.15	.12	-.17	.04	.04	.29	.15	.08	.05	.10	.09	.22	.29	.14	.17
Other .....	.05	.19	.08	-.38	-.03	-.05	-.17	.10	.05	.29	.20	.33	.16	.05	.02	.18	.01	.17	-.05
Industrial equipment .....	0	.04	.09	.01	-.12	.08	.01	.15	.12	-.04	-.14	.19	-.05	.30	.06	.23	-.27	.20	.17
Transportation equipment .....	-.03	.15	.17	-.53	-.16	-.07	-.02	-.25	.36	.01	-.16	-.04	.56	.23	.39	-.16	.33	.18	-.19
Other equipment .....	.08	.18	.09	-.10	.14	0	.02	.01	.04	.33	.18	.09	.18	.28	.13	-.14	.23	.02	.10
Residential .....	.41	.55	.41	.46	.43	.09	.30	.23	.47	1.07	.59	.28	.93	.15	.09	.54	.62	.43	.16
Change in private inventories .....	.05	.35	-.31	2.95	.53	.98	.08	-.16	-.84	.38	.75	.48	.87	-.56	-.03	.29	-.21	-.43	.62
Farm .....	.03	.03	-.07	.24	-.39	.31	.03	.17	-.21	-.07	.19	-.20	.45	-.01	-.28	-.11	-.09	-.02	.02
Nonfarm .....	.02	.32	-.24	2.71	.92	.67	.04	-.33	-.63	.45	.57	.68	.42	-.55	.25	.40	-.20	-.42	1.60
Net exports of goods and services .....	-.46	-.73	-.29	-.97	-.62	-.49	-.152	.08	-.66	.48	-.47	-.116	-.137	-.17	-.98	-.40	1.11	-.12	-.140
Exports .....	.17	.80	.70	.47	.96	.27	-.31	-.29	-.20	1.04	1.69	.49	.67	.53	.70	.74	1.07	.26	.58
Goods .....	.12	.59	.51	-.11	.88	.14	-.64	-.09	0	.58	1.05	.50	.53	.55	.25	.37	1.08	.23	.54
Services .....	.05	.22	.19	.59	.08	.13	.33	-.38	-.20	.46	.64	-.01	.14	-.02	.44	.37	-.01	.03	.04
Imports .....	-.63	-1.53	-.99	-1.44	-1.58	-.76	-1.21	.37	-.46	-.56	-2.16	-1.65	-2.03	-.70	-1.68	-1.14	.04	-.38	-1.98
Goods .....	-.56	-1.30	-.90	-.95	-1.65	-.72	-.90	.32	-.71	-.10	-1.91	-1.41	-1.71	-.59	-1.60	-1.05	.15	-.46	-1.82
Services .....	-.07	-.23	-.09	-.48	.07	-.04	-.31	.05	.26	-.46	-.25	-.23	-.32	-.11	-.08	-.10	-.11	.09	-.16
Government consumption expenditures and gross investment .....	.53	.41	.34	.79	.88	.43	.89	-.05	1.37	.11	.10	.62	.43	.35	.17	.35	.47	.54	-.13
Federal .....	.45	.36	.16	.36	.76	.20	.64	.03	1.40	-.14	.21	.71	.22	.25	-.04	.17	.17	.52	-.18
National defense .....	.37	.32	.12	.14	.45	.17	.59	-.15	1.46	-.31	.35	.60	.04	.41	-.16	.14	.17	.46	-.44
Consumption expenditures .....	.33	.26	.11	.13	.29	.07	.67	-.19	1.35	-.34	.32	.46	.01	.39	-.26	.34	.04	.37	-.49
Gross investment .....	.04	.06	.01	.01	.16	.10	-.08	.04	.11	.03	.03	.14	.02	.02	.10	-.20	.13	.09	.05
Nondefense .....	.08	.04	.04	.22	.31	.03	.05	.18	-.06	.17	-.14	.11	.19	-.16	.12	.03	-.01	.06	.26
Consumption expenditures .....	.08	.04	.02	.14	.21	.11	.07	.18	-.19	.29	-.10	.11	.04	-.04	.08	.02	-.09	.08	.14
Gross investment .....	0	0	.02	.07	.10	-.08	-.02	0	.14	-.12	-.04	0	.15	-.12	.04	.01	.08	-.02	.13
State and local .....	.08	.05	.18	.43	.12	.23	.25	-.08	-.04	.25	-.11	-.09	.21	.10	.21	.19	.31	.03	.05
Consumption expenditures .....	.06	.04	.11	.30	.24	.17	.15	-.02	-.01	.02	0	.07	.14	.16	.08	.08	.17	.09	
Gross investment .....	.02	.01	.06	.12	-.12	.06	.10	-.07	-.03	.26	-.13	-.08	.14	-.04	.05	.11	.23	-.14	-.04
Addenda:																			
Goods .....	1.10	2.06	1.48	1.30	.49	1.69	-.174	1.38	.75	5.19	.96	2.29	1.53	2.10	1.26	1.41	1.58	1.70	.49
Services .....	1.30	1.59	1.55	1.43	1.95	.98	1.65	.41	2.15	.78	2.20	1.90	.71	1.75	1.82	1.86	.88	2.09	.85
Structures .....	.31	.57	.49	.01	-.26	-.29	.29	-.08	.76	1.28	.41	.06	1.26	.13	.23	.53	.85	.35	.29
Motor vehicle output .....	.14	.16	.12	.53	.20	.40	.01	0	-.09	.72	-.13	.49	-.26	.11	.29	.15	-.01	.56	-.63
Final sales of computers .....	.15	.15	.28	-.06	.01	.20	.11	.05	.10	.45	.09	.08	.08	.10	.36	.37	.32	.16	.34

<sup>r</sup> Revised.  
See "Explanatory Note" at the end of the tables.

**Table 3.—Gross Domestic Product and Related Measures: Level and Change From Preceding Period**

	Billions of current dollars					Billions of chained (2000) dollars										
	2005 <sup>r</sup>	Seasonally adjusted at annual rates				2005 <sup>r</sup>	Seasonally adjusted at annual rates				Change from preceding period					
		2004		2005			2004		2005		2005 <sup>r</sup>	2005				
		IV	I	II	III		IV	I	II	III		III	IV <sup>r</sup>			
Gross domestic product .....	12,485.7	11,995.2	12,198.8	12,378.0	12,605.7	12,760.4	11,134.6	10,897.1	10,999.3	11,089.2	11,202.3	11,247.6	378.9	113.1	45.3	
Personal consumption expenditures .....	8,746.2	8,416.1	8,535.8	8,677.0	8,844.0	8,927.9	7,858.2	7,698.8	7,764.9	7,829.5	7,907.9	7,930.6	269.6	78.4	22.7	
Durable goods .....	1,026.5	1,008.6	1,017.3	1,035.5	1,050.9	1,002.2	1,138.4	1,115.1	1,122.3	1,143.9	1,169.7	1,117.8	48.5	25.8	-51.9	
Motor vehicles and parts .....	446.8	452.8	449.6	458.5	468.7	410.4	452.8	464.6	455.0	463.3	477.3	415.4	-4.2	14.0	-61.9	
Furniture and household equipment .....	373.2	360.6	366.9	370.0	374.9	381.0	485.0	456.8	469.2	475.9	490.5	504.3	42.1	14.6	13.8	
Other .....	206.5	195.2	200.8	207.0	207.2	210.8	211.4	200.2	206.5	212.9	211.0	215.1	15.6	-1.9	4.1	
Nondurable goods .....	2,564.6	2,437.1	2,476.6	2,533.7	2,604.9	2,643.1	2,298.0	2,236.5	2,265.6	2,285.9	2,305.8	2,334.8	97.6	19.9	29.0	
Food .....	1,218.7	1,166.4	1,184.2	1,207.1	1,229.9	1,253.6	1,081.2	1,047.4	1,060.9	1,072.2	1,088.7	1,103.0	52.1	16.5	14.3	
Clothing and shoes .....	345.5	335.2	340.5	344.9	343.9	352.6	376.6	363.0	367.9	374.4	377.2	387.0	21.6	2.8	9.8	
Gasoline, fuel oil, and other energy goods .....	310.7	267.9	275.2	296.4	338.3	333.0	204.9	203.0	207.7	205.2	203.0	203.8	3.5	-2.2	.8	
Other .....	689.7	667.6	676.8	685.3	692.8	639.6	625.5	631.2	637.7	641.9	647.8	622.9	4.2	5.9		
Services .....	5,155.1	4,970.4	5,041.8	5,107.8	5,188.3	5,282.6	4,437.5	4,362.1	4,392.0	4,417.6	4,453.5	4,487.0	126.6	35.9	33.5	
Housing .....	1,281.7	1,244.7	1,260.6	1,275.3	1,288.2	1,302.6	1,103.8	1,089.5	1,095.6	1,101.4	1,106.2	1,111.7	25.4	5.2	5.1	
Household operation .....	482.4	457.9	465.3	471.4	484.4	508.4	416.8	412.4	414.3	418.5	420.5	411.2	4.7	2.0		
Electricity and gas .....	202.3	185.9	189.5	192.4	202.1	225.0	155.4	154.7	155.2	153.2	155.5	157.6	6.2	2.3	2.1	
Other household operation .....	280.1	272.1	275.8	279.0	282.3	283.4	261.1	257.3	258.8	260.5	262.7	262.2	4.8	2.2	-5	
Transportation .....	321.1	309.2	312.3	318.5	324.1	329.6	287.2	283.0	284.6	286.3	287.6	290.4	3.8	1.3	2.8	
Medical care .....	1,509.4	1,441.6	1,470.5	1,492.6	1,522.0	1,552.5	1,291.8	1,255.4	1,269.1	1,282.3	1,299.6	1,316.1	58.3	17.3	16.5	
Recreation .....	355.3	344.3	350.3	353.1	356.6	361.3	308.7	304.1	307.7	308.3	308.9	309.9	6.3	1.0		
Other .....	1,205.2	1,172.6	1,182.8	1,196.8	1,213.0	1,228.2	1,028.0	1,016.6	1,019.5	1,024.3	1,031.1	1,037.2	21.3	6.8	6.1	
Gross private domestic investment .....	2,103.1	2,004.5	2,058.5	2,054.4	2,099.5	2,200.0	1,918.4	1,863.9	1,902.9	1,885.0	1,909.4	1,976.3	108.6	24.4	66.9	
Fixed investment .....	2,086.5	1,952.6	1,998.7	2,058.5	2,119.2	2,169.5	1,897.6	1,811.3	1,842.2	1,884.7	1,921.5	1,942.2	142.5	36.8	20.7	
Nonresidential .....	1,330.6	1,252.9	1,280.1	1,313.5	1,348.9	1,380.0	1,289.7	1,235.1	1,252.2	1,279.0	1,305.2	1,322.5	103.0	26.2	17.3	
Structures .....	335.3	309.8	315.9	325.6	340.2	359.6	253.5	252.3	251.0	252.7	254.1	256.2	5.1	1.4	2.1	
Equipment and software .....	995.3	943.1	964.3	987.9	1,008.7	1,020.3	1,051.5	994.2	1,014.2	1,040.9	1,067.5	1,083.5	103.9	26.6	16.0	
Information processing equipment and software .....	489.5	456.3	474.6	486.6	494.5	502.4	591.3	539.7	565.1	584.6	600.2	615.4	68.9	15.6	15.2	
Computers and peripheral equipment .....	105.7	97.5	102.7	105.6	105.0	109.5	210.5	192.8	199.8	209.1	213.7	219.3	21.7	4.6	5.6	
Software .....	198.4	181.1	188.3	197.3	201.3	206.5	198.8	190.3	196.3	196.5	202.1	200.3	9.9	5.6	1.8	
Other .....	185.5	177.8	183.6	188.2	186.3	186.3	198.8	190.3	196.3	196.5	202.1	200.3	9.9	5.6	1.8	
Industrial equipment .....	161.3	152.6	161.3	154.9	161.3	167.6	149.1	144.5	150.9	143.2	148.8	153.7	9.7	5.6	4.9	
Transportation equipment .....	171.5	168.4	163.8	172.8	177.9	171.6	157.0	153.3	148.8	158.1	163.3	157.9	18.3	5.2	-5.4	
Other equipment .....	173.0	165.8	164.6	173.7	175.0	178.7	159.9	158.0	153.9	160.6	161.1	164.0	9.9	2.9		
Residential .....	755.8	699.7	718.5	745.0	770.3	789.5	601.8	571.0	584.1	599.3	610.0	613.9	40.0	10.7	3.9	
Change in private inventories .....	16.6	51.9	59.9	-4.2	-19.7	30.5	18.4	50.1	58.2	-1.7	-13.3	30.4	-33.6	-11.6	43.7	
Farm .....	-8.4	-3.0	-6.5	-8.5	-9.5	-8.9	-3.7	-2	-2.3	-4.2	-4.5	-3.7	-6.0	-3	.8	
Nonfarm .....	25.0	54.8	66.4	43	-10.2	39.3	23.1	50.8	61.8	3.4	-8.1	35.3	-26.8	-11.5	43.4	
Net exports of goods and services .....	-726.9	-685.4	-697.5	-691.0	-730.4	-788.8	-633.3	-634.1	-645.4	-614.2	-617.5	-656.2	-32.0	-3.3	-38.7	
Exports .....	1,301.6	1,217.1	1,253.2	1,297.1	1,314.6	1,341.5	1,195.7	1,144.5	1,165.3	1,195.4	1,202.7	1,219.4	77.8	7.3	16.7	
Goods .....	905.5	845.0	865.4	904.7	914.8	937.0	840.9	800.3	810.7	841.3	847.9	863.8	57.3	6.6	15.9	
Services .....	396.1	372.1	387.7	392.5	399.9	404.5	354.7	344.0	354.3	353.9	354.8	355.8	20.6	.9	1.0	
Imports .....	2,028.6	1,902.5	1,950.6	1,988.1	2,045.1	2,130.4	1,829.0	1,778.6	1,810.7	1,809.6	1,820.2	1,875.7	109.8	10.6	55.5	
Goods .....	1,701.3	1,588.4	1,627.6	1,661.8	1,718.6	1,797.0	1,553.5	1,507.3	1,537.3	1,532.9	1,546.1	1,597.6	100.8	13.2	51.5	
Services .....	327.3	314.1	323.0	326.3	326.4	333.3	276.9	272.3	274.8	277.7	275.5	279.7	9.8	-2.2	4.2	
Government consumption expenditures and gross investment .....	2,363.4	2,260.0	2,302.0	2,337.6	2,392.7	2,421.4	1,987.2	1,962.8	1,971.9	1,984.1	1,998.1	1,994.7	34.9	14.0	-3.4	
Federal .....	877.8	840.8	860.2	869.8	892.2	888.8	740.5	727.6	731.8	736.1	749.5	744.6	16.8	13.4	-4.9	
National defense .....	587.2	562.0	575.3	582.5	601.7	589.2	493.6	483.7	487.3	491.7	503.6	491.8	12.3	11.9	-11.8	
Consumption expenditures .....	515.9	490.1	508.9	512.3	528.6	514.0	424.1	413.4	421.9	422.9	432.2	419.4	10.8	9.3	-12.8	
Gross investment .....	71.2	71.9	66.4	70.2	73.1	75.2	70.0	71.2	65.3	69.2	72.0	73.6	1.5	2.8	1.6	
Nondefense .....	290.6	278.8	285.0	287.3	290.5	299.6	246.7	243.6	244.3	242.4	245.6	252.6	4.5	7.0		
Consumption expenditures .....	253.7	245.1	250.7	250.5	254.3	259.1	210.6	209.9	210.4	208.2	210.1	213.6	2.0	1.9	3.5	
Gross investment .....	37.0	33.8	34.3	36.8	36.3	40.5	36.3	33.6	33.8	36.3	35.6	39.6	2.9	-7	4.0	
State and local .....	1,485.6	1,419.1	1,441.7	1,467.7	1,500.4	1,532.6	1,246.5	1,235.0	1,239.8	1,247.8	1,248.5	1,249.8	18.1	.7	1.3	
Consumption expenditures .....	1,193.2	1,143.1	1,159.0	1,175.7	1,205.7	1,232.6	991.1	984.8	986.8	988.8	993.3	995.5	11.6	4.5	2.2	
Gross investment .....	292.4	276.1	282.7	292.0	294.7	300.0	255.6	250.3	253.2	259.4	254.4	254.4	6.7	-4.0	-1.0	
Residual .....	.....	.....	.....	.....	.....	.....	-63.6	-37.5	-48.0	-60.1	-69.6	-77.3	.....	.....	.....	
Addenda:	Final sales of domestic product .....	12,469.1	11,943.3	12,138.9	12,382.1	12,625.4	12,730.0	11,114.6	10,846.0	10,940.3	11,089.2	11,214.4	11,214.5	412.2	125.2	.1
Gross domestic purchases .....	13,212.7	12,680.6	12,896.3	13,069.0	13,336.1	13,549.2	11,759.2	11,522.0	11,635.4	11,694.8	11,811.2	11,895.3	410.5	116.4	84.1	
Final sales to domestic purchasers .....	13,196.0	12,628.7	12,836.4	13,073.1	13,355.8	13,518.8	11,739.0	11,470.7	11,576.2	11,694.6	11,823.0	11,862.1	443.7	128.4	39.1	
Gross domestic product .....	12,485.7	11,995.2	12,198.8	12,378.0	12,605.7	12,760.4	11,134.6	10,897.1	10,999.3	11,089.2	11,202.3	11,247.6	378.9	113.1	45.3	
Plus: Income receipts from the rest of the world .....	462.4	462.3	489.4	520.8	.....	.....	423.2	420.4	441.7	465.5	.....	.....	23.8	.....	.....	
Less: Income payments to the rest of the world .....	425.6	422.9	453.9	476.6	.....	.....	388.5	383.3	408.2	424.4	.....	.....	16.2	.....	.....	
Equals: Gross national product .....	12,032.0	12,238.2	12,413.5	12,650.0	.....	.....	10,931.8	11,036.3	11,122.5</td							

Table 4.—Price Indexes for Gross Domestic Product and Related Measures: Percent Change From Preceding Period

	2003	2004	2005 <sup>r</sup>	Seasonally adjusted at annual rates															
				2002				2003				2004				2005			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
Gross domestic product (GDP) .....	2.0	2.6	2.8	1.7	1.5	1.6	2.2	3.1	1.1	1.8	1.9	3.6	3.9	1.5	2.7	3.1	2.6	3.3	3.3
Personal consumption expenditures .....	1.9	2.6	2.8	.9	2.8	1.8	1.7	3.0	.6	2.0	1.3	3.9	3.8	1.5	3.1	2.3	3.3	3.7	2.7
Durable goods .....	-3.5	-1.9	-.5	-3.2	-1.9	-1.8	-2.7	-4.3	-4.3	-4.4	-4.1	-.1	-.1	-2.4	.6	-.5	-3.0	-8	
Nondurable goods .....	2.0	3.3	3.7	.2	5.4	.9	1.2	5.6	-2.4	3.1	.6	6.0	6.6	.1	4.5	1.3	5.7	7.9	.8
Services .....	3.0	3.2	3.1	2.2	2.6	3.0	2.8	3.4	3.2	2.8	2.8	3.6	3.3	2.9	3.0	2.9	3.1	4.3	
Gross private domestic investment .....	1.6	3.1	3.1	-2	.5	.2	2.9	2.9	-5	1.7	3.7	3.4	4.6	3.2	2.3	2.6	2.7	3.7	5.0
Fixed investment .....	1.7	3.2	3.1	-3	.5	.2	3.0	3.1	-.5	1.7	3.9	3.5	4.6	3.0	2.2	2.6	2.7	4.0	5.2
Nonresidential .....	.3	1.3	2.1	-1	-2	-4	1.1	.1	-1.0	1.2	1.9	1.2	1.8	.9	1.1	3.1	1.9	2.5	3.9
Structures .....	3.5	5.5	10.1	3.8	5.2	4.3	5.1	4.0	-.3	2.9	4.6	7.1	6.8	6.6	5.6	10.3	9.9	16.5	20.9
Equipment and software .....	-.9	-.1	-.4	-1.5	-2.1	-2.0	-3	-1.2	-1.4	.6	1.0	-.8	.2	-.9	-.4	.9	-.7	-1.8	-1.4
Residential .....	4.8	6.7	4.7	-.8	2.2	1.5	7.0	9.3	.3	2.7	7.6	8.0	9.7	6.9	4.2	1.6	4.3	6.5	7.6
Change in private inventories .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Net exports of goods and services .....	2.1	3.6	3.7	-1.1	2.8	3.0	.6	4.1	1.0	.9	2.9	5.9	4.8	1.7	4.3	4.6	3.7	2.9	2.6
Exports .....	2.0	3.7	3.1	-1.4	2.2	3.3	.5	3.6	1.6	-.7	4.1	6.5	5.3	1.0	3.8	4.5	2.9	1.3	2.2
Goods .....	2.5	3.1	4.9	-.3	4.3	2.1	.7	5.2	-.3	4.6	.1	4.4	3.7	3.2	5.6	4.7	5.4	6.7	3.5
Services .....	3.4	5.0	6.1	-1.7	10.3	3.5	.6	11.2	-4.4	2.6	1.1	9.6	6.6	5.7	6.8	2.9	8.2	9.4	4.4
Imports .....	2.9	5.0	6.4	-2.0	10.8	2.6	.4	11.9	-6.7	2.5	.5	10.1	7.9	5.4	6.9	1.9	9.9	10.6	4.8
Services .....	5.8	4.9	4.6	-.3	7.6	8.1	1.4	8.0	7.5	3.2	4.2	7.5	7.4	6.5	7.9	-.2	3.4	2.3	
Government consumption expenditures and gross investment .....	3.7	3.7	4.8	5.2	2.9	2.6	3.6	8.9	0	2.5	1.4	6.2	5.0	3.2	4.1	5.7	3.7	6.7	5.6
Federal .....	3.9	4.2	3.7	10.1	.5	1.0	4.6	9.9	1.3	1.2	1.2	9.7	4.9	2.2	2.6	7.0	2.1	3.0	1.1
National defense .....	4.4	4.0	3.6	9.1	1.3	2.4	6.9	9.3	1.1	1.3	1.5	7.8	5.6	2.8	2.7	6.6	1.4	3.5	1.1
Nondefense .....	3.0	4.6	3.8	12.0	-.8	-1.4	.5	11.0	1.6	1.0	.7	13.7	3.6	1.2	2.5	7.9	3.6	2.1	1.0
State and local .....	3.7	3.4	5.5	2.7	4.2	3.4	3.0	8.4	-.7	3.2	1.6	4.2	5.0	3.7	4.9	4.9	4.7	9.0	8.4
<b>Addenda:</b>																			
Final sales of domestic product .....	2.0	2.6	2.8	1.7	1.5	1.6	2.3	3.1	1.1	1.8	1.9	3.6	3.8	1.4	2.7	3.1	2.6	3.3	3.4
Gross domestic purchases .....	2.2	2.9	3.2	1.5	2.5	1.7	2.2	4.1	.4	2.0	1.7	4.2	4.1	2.0	3.2	2.9	3.3	4.2	3.6
Final sales to domestic purchasers .....	2.2	2.9	3.2	1.5	2.5	1.7	2.2	4.1	.4	2.0	1.7	4.2	4.1	2.0	3.2	2.9	3.3	4.3	3.6
Gross national product (GNP) .....	2.0	2.6	.....	1.7	1.5	1.6	2.2	3.1	1.1	1.8	1.9	3.6	3.8	1.5	2.7	3.1	2.6	3.3	.....
<b>Implicit price deflators:</b>																			
GDP .....	2.0	2.6	2.8	1.5	1.4	1.5	2.2	3.1	1.1	1.9	1.8	3.7	3.9	1.3	2.7	3.0	2.6	3.3	3.3
Gross domestic purchases .....	2.2	2.9	3.2	1.3	2.4	1.6	2.2	4.1	.4	2.1	1.6	4.3	4.1	1.9	3.2	2.9	3.3	4.2	3.6
GNP .....	2.0	2.6	.....	1.4	1.5	1.5	2.3	3.1	1.1	1.9	1.8	3.7	3.8	1.3	2.7	3.0	2.6	3.3	.....

<sup>r</sup> Revised.  
See "Explanatory Note" at the end of the tables.

**Table 5.—Real Gross Domestic Product, Quantity Indexes**

[Index numbers, 2000=100]

	2003	2004	2005 <sup>r</sup>	Seasonally adjusted				
				2004		2005		
				IV	I	II	III	IV <sup>r</sup>
Gross domestic product .....	105.130	109.562	113.422	111.003	112.044	112.959	114.112	114.573
Personal consumption expenditures .....	108.416	112.601	116.602	114.236	115.217	116.176	117.338	117.676
Durable goods .....	119.134	126.245	131.867	129.166	129.999	132.499	135.492	129.477
Nondurable goods .....	107.938	113.000	118.016	114.857	116.351	117.392	118.413	119.907
Services .....	106.493	109.725	112.947	111.027	111.789	112.440	113.353	114.206
Gross private domestic investment .....	93.195	104.286	110.540	107.398	109.645	108.615	110.023	113.877
Fixed investment .....	95.297	104.534	113.024	107.880	109.722	112.252	114.443	115.677
Nonresidential .....	88.063	96.314	104.679	100.246	101.633	103.806	105.935	107.343
Structures .....	77.621	79.314	80.935	80.554	80.145	80.680	81.123	81.791
Equipment and software .....	92.154	103.126	114.434	108.201	110.376	113.274	116.170	117.917
Residential .....	113.989	125.714	134.660	127.772	130.695	134.100	136.484	137.360
Change in private inventories .....								
Exports of goods and services .....	94.064	101.970	109.069	104.398	106.295	109.037	109.710	111.234
Imports of goods and services .....	105.205	116.495	123.939	120.518	122.698	122.620	123.340	127.098
Government consumption expenditures and gross investment .....	111.009	113.398	115.428	114.008	114.537	115.248	116.063	115.863
Federal .....	118.839	125.038	127.945	125.704	126.446	127.188	129.491	128.656
State and local .....	107.042	107.487	109.070	108.069	108.489	109.183	109.246	109.362
<b>Addenda:</b>								
Final sales of domestic product .....	105.564	109.650	113.874	111.122	112.088	113.613	114.896	114.897
Gross domestic purchases .....	106.285	111.301	115.326	113.000	114.112	114.695	115.836	116.661
Final sales to domestic purchasers .....	106.708	111.394	115.770	113.124	114.164	115.332	116.598	116.984
Gross national product .....	105.370	109.637	.....	110.916	111.977	112.851	114.076	.....

<sup>r</sup> Revised.

See "Explanatory Note" at the end of the tables.

**Table 6.—Price Indexes for Gross Domestic Product**

[Index numbers, 2000=100]

	2003	2004	2005 <sup>r</sup>	Seasonally adjusted				
				2004		2005		
				IV	I	II	III	IV <sup>r</sup>
Gross domestic product .....	106.310	109.102	112.165	110.111	110.950	111.655	112.567	113.488
Personal consumption expenditures (PCE) .....	105.520	108.246	111.299	109.326	109.936	110.832	111.846	112.583
Durable goods .....	92.372	90.631	90.168	90.449	90.648	90.527	89.839	89.660
Nondurable goods .....	104.151	107.634	111.595	108.982	109.327	110.854	112.985	113.215
Services .....	109.246	112.695	116.171	113.955	114.803	115.633	116.508	117.739
Gross private domestic investment .....	103.311	106.555	109.820	107.733	108.427	109.164	110.169	111.521
Fixed investment .....	103.432	106.697	109.957	107.831	108.522	109.254	110.318	111.732
Nonresidential .....	99.764	101.025	103.168	101.455	102.244	102.715	103.358	104.355
Structures .....	113.889	120.124	132.278	122.827	125.876	128.886	133.914	140.435
Equipment and software .....	95.133	95.022	94.658	94.854	95.067	94.910	94.491	94.162
Residential .....	112.379	119.935	125.604	122.574	123.062	124.359	126.335	128.659
Change in private inventories .....								
Exports of goods and services .....	101.398	104.999	108.862	106.366	107.559	108.534	109.323	110.033
Imports of goods and services .....	99.610	104.571	110.940	107.026	107.783	109.925	112.413	113.639
Government consumption expenditures and gross investment .....	109.460	113.505	118.929	115.148	116.747	117.820	119.751	121.399
Federal .....	109.740	114.354	118.537	115.575	117.550	118.168	119.056	119.373
State and local .....	109.303	113.022	119.186	114.914	116.291	117.635	120.186	122.630
<b>Addenda:</b>								
PCE excluding food and energy .....	105.082	107.156	109.295	107.980	108.617	109.083	109.450	110.029
Market-based PCE <sup>1</sup> .....	105.009	107.422	110.331	108.378	108.948	109.860	110.917	111.598
Market-based PCE excluding food and energy <sup>1</sup> .....	104.348	105.898	107.671	106.514	107.106	107.506	107.797	108.275
Final sales of domestic product .....	106.330	109.124	112.185	110.124	110.963	111.667	112.589	113.521
Gross domestic purchases .....	105.863	108.899	112.391	110.092	110.883	111.785	112.953	113.944
Final sales to domestic purchasers .....	105.883	108.921	112.412	110.106	110.898	111.798	112.976	113.977
Gross national product .....	106.304	109.094	.....	110.100	110.933	111.638	112.550	.....
<b>Implicit price deflators:</b>								
Gross domestic product .....	106.305	109.099	112.134	110.077	110.905	111.622	112.527	113.450
Final sales of domestic product .....	106.330	109.124	112.187	110.117	110.956	111.659	112.582	113.513
Gross domestic purchases .....	105.858	108.896	112.361	110.055	110.837	111.750	112.911	113.904
Final sales to domestic purchasers .....	105.883	108.920	112.412	110.095	110.886	111.787	112.965	113.966
Gross national product .....	106.299	109.091	.....	110.064	110.890	111.607	112.512	.....

<sup>r</sup> Revised.

1. This index is a supplemental measure that is based on household expenditures for which there are observable price measures. It excludes most implicit prices (for example, the services furnished without payment by financial intermediaries) and the expenses of nonprofit institutions. Percentage changes for these series are included in the addenda to table 8 and appendix table A.

See "Explanatory Note" at the end of the tables.

Table 7.—Real Gross Domestic Product: Percent Change From Preceding Year

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005 r
Gross domestic product (GDP) .....	1.9	-0.2	3.3	2.7	4.0	2.5	3.7	4.5	4.2	4.5	3.7	0.8	1.6	2.7	4.2	3.5
Personal consumption expenditures .....	2.0	.2	3.3	3.3	3.7	2.7	3.4	3.8	5.0	5.1	4.7	2.5	2.7	2.9	3.9	3.6
Durable goods .....	-3	-5.6	5.9	7.8	8.4	4.4	7.8	8.6	11.3	11.7	7.3	4.3	7.1	6.6	6.0	4.5
Nondurable goods .....	1.6	-2	2.0	2.7	3.5	2.2	2.6	2.7	4.0	4.6	3.8	2.0	2.5	3.2	4.7	4.4
Services .....	2.9	1.7	3.5	2.8	2.9	2.6	2.9	3.3	4.2	4.0	4.5	2.4	1.9	2.0	3.0	2.9
Gross private domestic investment .....	-3.4	-8.1	8.1	8.9	13.6	3.1	8.9	12.4	9.8	7.8	5.7	-7.9	-2.6	3.9	11.9	6.0
Fixed investment .....	-2.1	-6.5	5.9	8.6	9.3	6.5	9.0	9.2	10.2	8.3	6.5	-3.0	-5.2	3.6	9.7	8.1
Nonresidential .....	.5	-5.4	3.2	8.7	9.2	10.5	9.3	12.1	11.1	9.2	8.7	-4.2	-9.2	1.3	9.4	8.7
Structures .....	1.5	-11.1	-6.0	-7	1.8	6.4	5.6	7.3	5.1	-4	6.8	-2.3	-17.1	-4.2	2.2	2.0
Equipment and software .....	0	-2.6	7.3	12.5	11.9	12.0	10.6	13.8	13.3	12.7	9.4	-4.9	-6.2	3.2	11.9	11.0
Residential .....	-8.6	-9.6	13.8	8.2	9.6	-3.2	8.0	1.9	7.6	6.0	.8	.4	4.8	8.4	10.3	7.1
Change in private inventories .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Net exports of goods and services .....	9.0	6.6	6.9	3.2	8.7	10.1	8.4	11.9	2.4	4.3	8.7	-5.4	-2.3	1.8	8.4	7.0
Exports .....	8.4	6.9	7.5	3.3	9.7	11.7	8.8	14.3	2.2	3.8	11.2	-6.1	-4.0	1.8	8.9	7.3
Goods .....	10.5	6.0	5.5	3.2	6.3	6.3	7.2	5.9	2.9	5.6	2.9	-3.7	1.9	1.7	7.4	6.2
Services .....	3.6	-6	7.0	8.8	11.9	8.0	8.7	13.6	11.6	11.5	13.1	-2.7	3.4	4.6	10.7	6.4
Imports .....	3.0	-1	9.3	10.1	13.3	9.0	9.3	14.4	11.7	12.4	13.5	-3.2	3.7	4.9	11.0	6.9
Goods .....	6.5	-2.6	-2.6	2.9	5.7	3.3	5.5	9.4	11.4	6.9	11.1	-3	2.1	3.0	9.6	3.7
Services .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Government consumption expenditures and gross investment .....	3.2	1.1	.5	-9	0	.5	1.0	1.9	1.9	3.9	2.1	3.4	4.4	2.8	2.2	1.8
Federal .....	2.0	-2	-17	-4.2	-3.7	-27	-1.2	-1.0	-1.1	2.2	.9	3.9	7.0	6.9	5.2	2.3
National defense .....	0	-1.1	-5.0	-5.6	-4.9	-3.8	-1.4	-2.8	-2.1	1.9	-.5	3.9	7.4	8.8	7.0	2.6
Nondefense .....	8.3	2.4	6.9	-7	-1.2	-4	-.7	2.6	.7	2.8	3.5	3.9	6.3	3.4	1.8	1.9
State and local .....	4.1	2.1	2.2	1.4	2.6	2.6	2.3	3.6	3.6	4.7	2.7	3.2	3.1	.6	.4	1.5
Addenda:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Final sales of domestic product .....	2.1	.1	3.0	2.6	3.4	3.0	3.7	4.0	4.2	4.5	3.8	1.6	1.2	2.7	3.9	3.9
Gross domestic purchases .....	1.4	-8	3.3	3.2	4.4	2.4	3.8	4.8	5.3	5.3	4.4	.9	2.2	3.0	4.7	3.6
Final sales to domestic purchasers .....	1.6	-6	3.1	3.2	3.8	2.8	3.8	4.3	5.3	5.4	4.5	1.8	1.8	3.0	4.4	3.9
Gross national product .....	2.0	-3	3.3	2.7	3.9	2.6	3.7	4.4	4.0	4.6	3.7	-.8	1.5	3.0	4.0	.....
Real disposable personal income .....	1.9	.5	3.4	1.0	2.7	2.8	3.0	3.5	5.8	3.0	4.8	1.9	3.1	2.4	3.4	1.5
Price indexes:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Gross domestic purchases .....	4.1	3.3	2.3	2.2	2.1	2.1	1.8	1.4	.6	1.6	2.5	2.0	1.6	2.2	2.9	3.2
Gross domestic purchases excluding food and energy .....	3.7	3.5	2.6	2.3	2.2	2.2	1.5	1.3	1.0	1.4	1.9	1.9	1.8	2.4	2.5	2.5
GDP .....	3.9	3.5	2.3	2.3	2.1	2.0	1.9	1.7	1.1	1.4	2.2	2.4	1.7	2.0	2.6	2.8
GDP excluding food and energy .....	3.7	3.6	2.5	2.4	2.2	2.1	1.7	1.7	1.2	1.5	2.0	2.1	2.1	1.8	2.5	2.7
Personal consumption expenditures .....	4.6	3.6	2.9	2.3	2.1	2.1	2.2	1.7	.9	1.7	2.5	2.1	1.4	1.9	2.6	2.8

r Revised. Revisions include changes to series affected by the introduction of revised wage and salary estimates for the third quarter of 2005.

Table 8.—Real Gross Domestic Product: Percent Change From Quarter One Year Ago

	2002				2003				2004				2005			
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV r
Gross domestic product (GDP) .....	1.0	1.3	2.2	1.9	1.6	2.0	3.2	4.0	4.7	4.6	3.8	3.8	3.6	3.6	3.6	3.2
Personal consumption expenditures (PCE) .....	2.8	3.1	3.2	1.9	2.1	2.4	3.3	3.8	4.3	3.9	3.5	3.8	3.5	3.9	3.8	3.0
Durable goods .....	7.8	8.9	11.0	1.2	3.2	6.0	7.9	9.2	9.4	5.8	3.7	5.2	4.7	6.7	6.3	.2
Nondurable goods .....	2.6	3.0	2.4	2.1	2.1	2.2	4.2	4.1	4.9	5.1	4.0	4.6	4.3	4.6	4.5	4.4
Services .....	1.8	2.0	2.0	1.9	1.9	1.8	2.0	2.5	3.0	2.9	3.2	3.1	2.9	3.0	3.0	2.9
Gross private domestic investment .....	-7.7	-5.4	-1.4	4.9	1.5	1.7	4.4	7.7	10.5	15.1	11.8	10.4	10.1	4.0	4.1	6.0
Fixed investment .....	-7.6	-5.8	-4.9	-2.5	-.7	1.8	5.6	7.7	7.3	10.9	9.3	9.4	9.4	8.0	7.9	7.2
Nonresidential .....	-11.7	-9.8	-8.7	-6.5	-3.5	0	3.2	5.6	5.7	7.9	9.2	9.4	10.9	10.3	9.2	8.3
Structures .....	-13.9	-17.4	-22.0	-14.9	-12.2	-4.5	-.5	1.2	2.6	1.5	1.9	2.7	3.1	1.7	1.9	1.5
Equipment and software .....	-10.9	-6.8	-3.2	-3.4	-.3	1.6	4.4	7.2	9.8	11.9	12.0	13.8	12.8	11.7	10.5	9.0
Residential .....	3.4	4.3	4.4	7.0	5.6	5.6	10.5	11.8	11.9	13.9	9.1	6.6	7.7	6.1	7.2	7.5
Change in private inventories .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Net exports of goods and services .....	-9.5	-4.0	1.6	3.8	1.7	-1.3	.7	6.0	8.1	10.5	9.0	6.1	6.7	7.7	6.9	6.5
Exports .....	-12.2	-4.9	1.1	1.1	1.9	-1.5	.2	6.7	8.3	10.4	10.1	6.8	6.2	8.2	6.9	7.9
Goods .....	-2.8	-2.0	2.8	10.2	1.4	-1.0	1.9	4.5	7.8	10.9	6.4	4.6	7.9	6.5	6.9	3.4
Services .....	-4.1	2.1	6.4	9.7	6.0	3.8	3.4	5.1	8.8	11.7	10.6	9.4	5.7	5.1	5.5	5.5
Imports .....	-5.0	3.2	7.2	9.9	6.8	4.5	3.1	5.3	9.2	11.2	12.3	11.1	10.1	6.1	5.8	6.0
Services .....	.7	-3.0	2.4	8.8	2.4	-.5	5.0	4.2	7.3	13.8	9.7	7.7	6.2	3.9	2.0	2.7
Government consumption expenditures and gross investment .....	4.7	4.0	4.9	4.0	2.9	3.5	3.0	1.9	2.9	1.7	2.0	2.1	1.7	1.8	2.0	1.6
Federal .....	5.9	6.7	7.5	7.8	6.4	8.6	7.2	5.5	8.1	3.6	5.1	4.2	2.1	1.9	2.9	2.3
National defense .....	5.6	7.4	7.9	8.4	6.5	12.2	9.2	7.5	12.1	3.7	7.8	4.9	2.3	3.0	3.3	1.7
Nondefense .....	6.3	5.5	6.8	6.8	6.2	2.1	3.6	1.6	.8	3.5	0	2.8	1.8	-.2	2.1	3.7
State and local .....	4.1	2.6	3.6	2.1	1.1	-.7	.8	0	.5	.2	.9	1.5	1.7	1.5	1.2	1.2
Addenda:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Final sales of domestic product .....	1.0	1.2	1.7	.8	1.3	2.0	3.3	4.0	4.5	4.0	3.4	3.6	3.5	4.2	4.3	3.4
Gross domestic purchases .....	1.4	1.9	2.8	2.7	2.2	2.5	3.4	4.0	4.9	5.1	4.4	4.5	4.2	3.5	3.5	3.2
Final sales to domestic purchasers .....	1.4	1.9	2.3	1.6	1.9	2.5	3.6	4.0	4.7	4.5	4.1	4.3	4.1	4.1	4.1	3.4
Gross national product .....	.9	1.0	2.3	1.6	1.8	2.4	3.5	4.4	5.0	4.4	3.6	3.2	3.2	3.5	3.6	.....
Real disposable personal income .....	3.7	4.6	1.4	2.9	.7	1.4	3.6	3.8	4.1	3.2	2.1	4.1	2.3	2.1	1.0	.5
Price indexes:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Gross domestic purchases .....	1.3	1.4	1.6	1.9	2.6	2.1	2.1	2.0	2.1	3.0	3.0	3.4	3.1	2.9	3.4	3.5
Gross domestic purchases excluding food and energy .....	2.0	1.9	1.9	1.7	1.9	1.7	1.7	1.7	1.9	2.5	2.6	2.7	2.4	2.5	2.6	2.6
GDP .....	2.0	1.6	1.6	1.7	2.1	2.0	2.1	2.0	2.1	2.8	2.7	2.9	2.8	2.5	2.9	3.1
GDP excluding food and energy .....	2.3	2.1	2.0	1.9	2.0	1.8	1.8	1.7	1.9	2.5	2.6	2.8	2.7	2.5	2.7	2.8
PCE .....	1.2	1.2	1.5	1.8	2.3	1.8	1.8	1.7	1.9	2.7	2.6	3.1	2.7	2.5	3.1	3.0
PCE excluding food and energy .....	1.8	1.8	1.9	1.6	1.5	1.3	1.2	1.3	1.7	2.0	2.0	2.2	2.2	2.0	1.9	1.9
Market-based PCE <sup>1</sup> ..																

**Table 9.—Relation of Gross Domestic Product, Gross National Product, and National Income**  
 [Billions of dollars]

	2003	2004	2005 r	Seasonally adjusted at annual rates				
				2004		2005		
				IV	I	II	III r	IV r
<b>Gross domestic product</b>	<b>10,971.2</b>	<b>11,734.3</b>	<b>12,485.7</b>	<b>11,995.2</b>	<b>12,198.8</b>	<b>12,378.0</b>	<b>12,605.7</b>	<b>12,760.4</b>
Plus: Income receipts from the rest of the world	343.7	415.4	.....	462.4	462.3	489.4	520.8	.....
Less: Income payments to the rest of the world	275.6	361.7	.....	425.6	422.9	453.9	476.6	.....
<b>Equals: Gross national product</b>	<b>11,039.3</b>	<b>11,788.0</b>	<b>.....</b>	<b>12,032.0</b>	<b>12,238.2</b>	<b>12,413.5</b>	<b>12,650.0</b>	<b>.....</b>
Less: Consumption of fixed capital	1,331.3	1,435.3	1,573.8	1,442.0	1,448.4	1,457.2	1,863.8	1,526.0
Less: Statistical discrepancy	47.1	76.8	.....	30.6	39.4	78.3	44.3	.....
<b>Equals: National income</b>	<b>9,660.9</b>	<b>10,275.9</b>	<b>.....</b>	<b>10,559.3</b>	<b>10,750.4</b>	<b>10,878.0</b>	<b>10,741.9</b>	<b>.....</b>
Compensation of employees	6,321.1	6,687.6	7,126.2	6,895.8	7,001.7	7,060.2	7,177.6	7,265.5
Wage and salary accruals	5,111.1	5,389.4	5,723.4	5,562.9	5,629.9	5,672.3	5,762.3	5,829.2
Supplements to wages and salaries	1,210.0	1,298.1	1,402.8	1,332.9	1,371.8	1,387.9	1,415.3	1,436.3
Proprietors' income with inventory valuation and capital consumption adjustments	810.2	889.6	938.7	900.9	917.9	936.6	932.4	967.7
Rental income of persons with capital consumption adjustment	131.7	134.2	73.3	128.7	118.0	104.4	-11.1	82.1
Corporate profits with inventory valuation and capital consumption adjustments	1,031.8	1,161.5	.....	1,219.5	1,288.2	1,347.5	1,293.1	.....
Net interest and miscellaneous payments	528.5	505.5	497.1	492.7	498.3	488.7	497.6	503.9
Taxes on production and imports less subsidies	754.8	809.4	847.9	824.4	833.2	848.0	853.4	856.8
Business current transfer payments	81.6	91.1	79.4	102.6	99.0	99.6	21.8	97.3
Current surplus of government enterprises	1.3	-3.0	-11.2	-5.2	-6.1	-7.0	-22.8	-9.0
<b>Addendum:</b>								
Gross domestic income	10,924.2	11,657.5	.....	11,964.6	12,159.4	12,299.7	12,561.4	.....

r Revised. Revisions include changes to series affected by the introduction of revised wage and salary estimates for the third quarter of 2005.

**Table 10.—Personal Income and Its Disposition**  
 [Billions of dollars]

	2003	2004	2005 r	Seasonally adjusted at annual rates				
				2004		2005		
				IV	I	II	III r	IV r
<b>Personal income</b> <sup>1</sup>	<b>9,169.1</b>	<b>9,713.3</b>	<b>10,249.3</b>	<b>10,024.8</b>	<b>10,073.4</b>	<b>10,185.7</b>	<b>10,250.4</b>	<b>10,487.7</b>
Compensation of employees, received	6,321.1	6,687.6	7,126.2	6,895.8	7,001.7	7,060.2	7,177.6	7,265.5
Wage and salary disbursements	5,111.1	5,389.4	5,723.4	5,562.9	5,629.9	5,672.3	5,762.3	5,829.2
Supplements to wages and salaries	1,210.0	1,298.1	1,402.8	1,332.9	1,371.8	1,387.9	1,415.3	1,436.3
Proprietors' income with inventory valuation and capital consumption adjustments	810.2	889.6	938.7	900.9	917.9	936.6	932.4	967.7
Farm	27.7	35.8	20.8	24.6	24.7	19.6	18.0	21.0
Nonfarm	782.4	853.8	917.8	876.3	893.2	917.1	914.3	946.6
Rental income of persons with capital consumption adjustment	131.7	134.2	73.3	128.7	118.0	104.4	-11.1	82.1
Personal income receipts on assets	1,338.7	1,396.5	1,456.7	1,493.6	1,407.9	1,439.8	1,468.9	1,510.3
Personal interest income	917.6	905.9	945.0	907.4	915.4	936.0	951.2	977.5
Personal dividend income	421.1	490.6	511.7	586.2	492.5	503.8	517.6	532.9
Personal current transfer receipts	1,344.0	1,427.5	1,525.5	1,449.2	1,488.8	1,509.6	1,558.1	1,545.6
Less: Contributions for government social insurance	776.6	822.2	871.2	843.5	861.0	864.9	875.4	883.5
Less: Personal current taxes	999.9	1,049.1	1,209.8	1,094.3	1,171.4	1,206.0	1,220.4	1,241.3
<b>Equals: Disposable personal income</b>	<b>8,169.2</b>	<b>8,664.2</b>	<b>9,039.5</b>	<b>8,930.4</b>	<b>8,902.0</b>	<b>8,979.7</b>	<b>9,030.0</b>	<b>9,246.4</b>
Less: Personal outlays	7,996.3	8,512.5	9,073.4	8,725.0	8,854.6	9,001.2	9,173.9	9,263.8
<b>Equals: Personal saving</b>	<b>172.8</b>	<b>151.8</b>	<b>-33.9</b>	<b>205.4</b>	<b>47.4</b>	<b>-21.5</b>	<b>-143.9</b>	<b>-17.4</b>
Personal saving as a percentage of disposable personal income	2.1	1.8	-4	2.3	.5	-2	-1.6	-2
<b>Addendum:</b>								
Disposable personal income, billions of chained (2000) dollars <sup>2</sup>	7,741.8	8,004.3	8,121.8	8,169.2	8,098.1	8,102.6	8,074.2	8,213.6

r Revised. Revisions include changes to series affected by the introduction of revised wage and salary estimates for the third quarter of 2005.

1. Personal income is also equal to national income less corporate profits with inventory valuation and capital consumption adjustments, taxes on production and imports less subsidies, contributions for government social insurance, net interest and miscellaneous payments, business current transfer payments, current surplus of government enterprises, and wage accruals less disbursements, plus personal income receipts on assets, and personal current transfer receipts.

2. Equals disposable personal income deflated by the implicit price deflator for personal consumption expenditures.

**Appendix Table A.—Real Gross Domestic Product and Related Aggregates and Price Indexes: Percent Change From Preceding Period**

	2003	2004	2005 <sup>r</sup>	Seasonally adjusted at annual rates															
				2002				2003				2004				2005			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
<b>Gross domestic product (GDP) and related aggregates:</b>																			
GDP .....	2.7	4.2	3.5	2.7	2.2	2.4	0.2	1.7	3.7	7.2	3.6	4.3	3.5	4.0	3.3	3.8	3.3	4.1	1.6
Goods .....	3.4	6.5	4.6	3.9	1.5	5.2	-5.2	4.3	2.3	16.8	2.9	7.2	4.7	6.6	3.9	4.4	5.0	5.3	1.5
Services .....	2.2	2.7	2.7	2.5	3.4	1.7	2.9	.7	3.7	1.3	3.8	3.3	1.2	3.0	3.2	3.2	1.5	3.6	1.5
Structures .....	3.2	5.7	4.8	-1	-2.7	-3.0	3.1	-9	8.2	13.6	4.1	.6	13.1	1.2	2.2	5.2	8.4	3.3	2.7
Motor vehicle output .....	3.8	4.6	3.4	15.5	5.7	11.6	.5	.3	-2.5	22.6	-3.6	14.4	-7.3	3.0	8.8	4.3	-.3	17.6	-17.1
GDP excluding motor vehicle output .....	2.7	4.2	3.5	2.3	2.1	2.0	.2	1.8	3.9	6.7	3.8	3.9	3.9	4.0	3.1	3.8	3.4	3.7	2.3
Final sales of computers <sup>1</sup> .....	20.2	20.4	39.7	-7.6	.7	29.3	15.3	7.1	14.4	78.0	11.9	10.2	10.3	13.3	56.5	54.9	45.4	20.3	47.6
GDP excluding final sales of computers .....	2.6	4.1	3.3	2.8	2.2	2.2	.1	1.7	3.6	6.8	3.5	4.2	3.4	3.9	3.0	3.5	3.0	4.0	1.3
Farm gross value added <sup>2</sup> .....	8.4	0	-8.0	-64.0	133.6	63.9	34.2	-22.3	27.0	-34.1	-13.1	89.8	-31.5	-11.3	-17.1	7.3	-31.1	20.9	36.9
Nonfarm business gross value added <sup>3</sup> .....	3.3	4.8	4.2	3.5	1.4	3.1	.1	2.0	4.7	10.4	2.8	4.2	4.6	4.6	3.9	4.3	4.4	4.7	1.5
<b>Price indexes:</b>																			
GDP .....	2.0	2.6	2.8	1.7	1.5	1.6	2.2	3.1	1.1	1.8	1.9	3.6	3.9	1.5	2.7	3.1	2.6	3.3	3.3
GDP excluding food and energy .....	1.8	2.5	2.7	2.1	1.8	1.6	2.0	2.6	.9	1.6	1.7	3.3	3.4	2.0	2.6	2.9	2.4	2.8	3.3
GDP excluding final sales of computers .....	2.2	2.7	3.0	1.9	1.7	1.7	2.4	3.2	1.2	2.0	1.9	3.7	3.9	1.6	2.9	3.3	2.8	3.5	3.5
Gross domestic purchases .....	2.2	2.9	3.2	1.5	2.5	1.7	2.2	4.1	.4	2.0	1.7	4.2	4.1	2.0	3.2	2.9	3.3	4.2	3.6
Gross domestic purchases excluding food and energy .....	1.8	2.4	2.5	1.8	1.7	1.6	1.8	2.5	1.0	1.7	1.8	3.4	3.2	2.0	2.4	3.0	2.1	2.5	3.0
Gross domestic purchases excluding final sales of computers to domestic purchasers .....	2.4	3.0	3.4	1.7	2.6	1.9	2.4	4.3	.5	2.2	1.8	4.3	4.3	2.2	3.4	3.1	3.5	4.5	3.8
Personal consumption expenditures (PCE) .....	1.9	2.6	2.8	.9	2.8	1.8	1.7	3.0	.6	2.0	1.3	3.9	3.8	1.5	3.1	2.3	3.3	3.7	2.7
PCE excluding food and energy .....	1.3	2.0	2.0	1.3	1.8	1.9	1.2	1.1	1.0	1.5	1.4	2.7	2.5	1.5	2.3	2.4	1.7	1.4	2.1
Market-based PCE <sup>4</sup> .....	1.9	2.3	2.7	.6	2.8	1.7	1.7	3.1	.5	1.9	.9	3.4	3.7	1.1	2.8	2.1	3.4	3.9	2.5
Market-based PCE excluding food and energy <sup>4</sup> .....	1.2	1.5	1.7	.9	1.6	1.7	1.2	.8	1.0	1.4	.9	1.9	2.0	1.1	1.8	2.2	1.5	1.1	1.8

<sup>r</sup> Revised.

1. For some components of final sales of computers, includes computer parts.

2. Farm output less intermediate goods and services purchased.

3. Consists of GDP less gross value added of farm, of households and institutions, and of general government.

4. This index is a supplemental measure that is based on household expenditures for which there are observable price measures. It excludes most implicit prices (for example, the services furnished without payment by financial intermediaries) and the expenses of nonprofit institutions.

See "Explanatory Note" at the end of the tables.

## **Explanatory Note: NIPA Measures of Quantities and Prices**

Current-dollar GDP is a measure of the market value of goods, services, and structures produced in the economy in a particular period. Changes in current-dollar GDP can be decomposed into quantity and price components. Quantities, or "real" measures, and prices are expressed as index numbers with the reference year -- at present, the year 2000 -- equal to 100.

Annual changes in quantities and prices are calculated using a Fisher formula that incorporates weights from two adjacent years. (Quarterly changes in quantities and prices are calculated using a Fisher formula that incorporates weights from two adjacent quarters; quarterly indexes are adjusted for consistency to the annual indexes before percent changes are calculated.) For example, the 2003-04 annual percent change in real GDP uses prices for 2003 and 2004 as weights, and the 2003-04 annual percent change in GDP prices uses quantities for 2003 and 2004 as weights. These annual changes are "chained" (multiplied) together to form time series of quantity and price indexes. Percent changes in Fisher indexes are not affected by the choice of reference year. (BEA also publishes a measure of the price level known as the implicit price deflator (IPD), which is calculated as the ratio of the current-dollar value to the corresponding chained-dollar value, multiplied by 100. The values of the IPD are very close to the values of the corresponding "chain-type" price index.)

Index numbers of quantity and price indexes for GDP and its major components are presented in this release in tables 5 and 6. Percent changes from the preceding period are presented in tables 1, 4, 7, and 8. Contributions by major components to changes in real GDP are presented in table 2.

Measures of real GDP and its major components are also presented in dollar-denominated form, designated "chained (2000) dollar estimates." For most series, these estimates, which are presented in table 3, are computed by multiplying the current-dollar value in 2000 by a corresponding quantity index number and then dividing by 100. For example, if a current-dollar GDP component equaled \$100 in 2000 and if real output for this component increased 10 percent in 2001, then the chained (2000) dollar value of this component in 2001 would be \$110 ( $= \$100 \times 110 / 100$ ). Percent changes calculated from chained-dollar estimates and from chain-type quantity indexes are the same; any differences will be small and due to rounding.

Chained-dollar values for the detailed GDP components will not necessarily sum to the chained-dollar estimate of GDP (or to any intermediate aggregate). This is because the relative prices used as weights for any period other than the reference year differ from those of the reference year. A measure of the extent of such differences is provided by a "residual" line, which indicates the difference between GDP (or other major aggregate) and the sum of the most detailed components in the table. For periods close to the reference year, when there usually has not been much change in the relative prices that are used as weights, the residuals tend to be small, and the chained-dollar estimates can be used to approximate the contributions to growth and to aggregate the detailed estimates. For periods further from the reference year, the residuals tend to be larger, and the chained-dollar estimates are less useful for analyses of contributions to growth. Thus, the contributions to percent change shown in table 2 provide a better measure of the composition of GDP growth. In particular, for components for which relative prices are changing rapidly, calculation of contributions using chained-dollar estimates may be misleading even just a few years from the reference year.

*Reference:* "Chained-Dollar Indexes: Issues, Tips on Their Use, and Upcoming Changes," November 2003 Survey, pp. 8-16.